Notification.

The following Press Communique dated 24th July 1940, issued by the Government of India, Finance Department, in regard to the issue of One Rupee Currency Notes is republished for general information :—

M. VIRARAJA URS,
Comptroller.

GOVERNMENT OF INDIA.

Finance Department.

Simla, the 24th July 1940.

As a result of large withdrawals of rupee coin from circulation in recent months for hoarding, much inconvenience is being felt by the general public owing to the scarcity of a suitable medium of exchange of smaller value than the Reserve Bank note of lowest denomination, namely, rupees five. Requests have been pouring in from all parts of the country to issue notes of smaller denomination, as was done in the last war, and it has been decided to supplement the stock of rupee coin by one-rupee notes issued on the authority of the Government of India, and an Ordinance has just been issued authorising such issue and providing that such notes will, for all purposes, be the equivalent of rupee coin. They will be legal tender to exactly the same extent as rupee coin and, not being bank notes or currency notes, can be issued by the Reserve Bank of India in exchange for their bank notes to satisfy a demand for rupee coin.

2. The silver stocks of the Government of India, apart from the coin held by the Reserve Bank of India, are ample. Of these, however, a large amount consists of the proceeds of Queen Victoria coin which has been withdrawn from circulation in the last few years and which would, in the opinion of Government, have to be recoined before being fit for issue. In view of the expansion of war activities, however, there has been an exceptionally large demand for small coin which shows no signs of abatement, and Government consider that priority should be given to supplying such coin which are a necessity to the poorer classes for their day-to-day transactions and which are not used for hoarding in preference to coining rupees merely to satisfy the selfish instincts of the wealthier hoarder. While every effort is being made by Government to re-mint as quickly as possible rupee coins from the bullion in their possession, the output of the mints is for this reason at present limited and it is necessary to introduce a substitute as a temporary measure.

3. These notes are being printed at the Government of India Security Printing Press, Nasik Road, but as it will take some time before adequate supplies are available, Government propose to make a start by the issue of notes which were prepared to meet a contingency of another nature in 1935, but which proved unnecessary at the time and which have since been held in stock so as to be available if required. These 1935 notes are printed on paper bearing as a watermark the head of His late Majesty King George V and are $3\frac{5}{8}$" by $2\frac{1}{8}$" in size. They contain a representation of the rupee coin on both sides and bear the signature of Mr. J. W. Kelly, who was Controller of the Currency in 1935 when they were prepared. The new Nasik notes are exactly similar except that they do not have the same watermark. They are printed on the paper used for Post Office Cash Certificates.

4. Owing to the large number required, the rapidity with which they had to be prepared and the difficulty of obtaining suitable paper in adequate quantity, it has been found necessary to make the rupee notes to be issued initially smaller in size than the rupee notes issued during the last war so as to obtain the maximum number of prints on each sheet, and it is the intention of Government to replace the smaller notes with notes of larger size as soon as possible. The public can co-operate in this if they will limit their use of coin and notes to reasonable monetary purposes and discourage the senseless habit of hoarding. The new notes which will be issued some time later will be 4" by $2\frac{1}{2}$", but in other respects similar in design. They will bear the signature of Mr. C. E. Jones, Secretary to the Government of India in the Finance Department.

W. Scott Brown,
Secretary to Government.